REMARKS

In the Office Action mailed February 27, 2006:

claims 1-9 were rejected under 35 U.S.C. § 112, second paragraph;

claims 1-4, 6, and 20 were rejected under 35 U.S.C. § 102(b); and

claims 5, 7-9 and 20 were rejected under 35 U.S.C. § 103(a).

In this response, claims 1 and 20 are amended and claims 1-9 and 20 are pending. For the reasons set forth in detail below, applicants submit that the present application, as amended, is in condition for allowance.

Response to Section 112 Rejection of Claims 1-9

Claims 1-9 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In particular, independent claim 1 is rejected as being unclear whether controlling the "coin signals" is intended to mean the signal picked by the sensors when a coin is present, or the signal generated by the signal generator. Claim 1 is amended herein to further clarify this point. Therefore, the Section 112 rejections of independent claim 1 and its dependent claims 2-9 should be withdrawn.

Response to Section 102 Rejection of Claims 1-4 and 6

Claims 1-4 and 6 are rejected under 35 U.S.C. § 102(b) as being anticipated by Barson (U.S. Patent No. 5,158,166).

Independent claim 1 is directed to a coin discriminator that controls and keeps an oscillator frequency substantially invariable while a coin passes by, <u>and uses the control signal as the basis for the coin signature measurement.</u>

Barson, as pointed out by the Examiner, in column 4, lines 20-30, discusses keeping the frequency and the amplitude substantially constant, however, this reference expressly emphasizes that the process is performed "in the absence of a coin" while "the apparatus is in an idle mode." The above mentioned passage, as well as the rest of Barson's patent, clearly indicates that Barson merely maintains the frequency and the amplitude while the parameters of the circuit and the ambient temperature change in the absence of any coin. Therefore, not only Barson does not teach or suggest maintaining the frequency and the amplitude in the presence of a coin, but also it is not possible for

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It may be helpful to mention that in a telephone conversation with the Examiner on December 5, 2005, regarding the Office Action of August 10, 2005, a similar argument was brought to the attention of the Examiner concerning Hayes (U.S. Pat. No. 5,687,830) and Hutchinson (U.S. Pat. No. 6,398,001). During that conversation, the Examiner acknowledged the distinguishing features of the rejected claims discussed above. Barson has the same deficiencies as Hayes and Hutchinson.

Barson to use his control signal for coin signature measurements.

For a claim to be rejected based on anticipation under 35 U.S.C. §102(a), (b), and (e), "the reference must teach every element of the claim." (MPEP 2131) As elaborated above, Barson does not teach or suggest keeping an oscillator frequency substantially invariable while a coin passes by and using the control signal as the basis for the coin signature measurement. Therefore, Barson cannot support a Section 102 rejection of independent claim 1. For at least this reason, the Section 102 rejection of claim 1 and its dependent claims 2-9 should be withdrawn.

Response to Section 103 Rejection of Claims 5 and 7-9

Claims 5 and 7-9 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Barson in view of Hayes et al. (U.S. Patent No. 5,687,830).

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Claims 5 and 7-9 depend from the above mentioned allowable claim 1 and, accordingly, include the features of this independent claim. Hayes does not cure the deficiencies of Barson with regard to claim 1. Therefore, for at least this reason, and for the additional features of dependent claims 5 and 7-9, the Section 103 rejection of these claims should be withdrawn.

Furthermore, a *prima facie* case of obviousness under 35 U.S.C. § 103 requires, *inter alia*, a suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings (MPEP 2142). As described above, neither Barson nor Hayes disclose the elements of the rejected claims and therefore cannot establish, either alone or in combination, a *prima facie* case of obviousness under 35 U.S.C. § 103. Accordingly, the Section 103 rejection of claims 5 and 7-9 should be withdrawn.

Response to Section 102 or 103 Rejection of Claim 20

Claim 20 is rejected under 35 U.S.C. § 102(b) as anticipated by or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Neubarth et al. (U.S. Patent No. 6,047,808).

In contrast to claim 20, Neubarth does not discuss using a control signal as the basis for the coin signature measurement. In Neubarth, an error signal of a PLL (col. 4, lines 11-17) or a change in the components of a circuit that maintains the frequency (col. 4, lines 54-59) is utilized as a measure of a coin's attributes. Therefore, neither under Section 102(b) nor under Section 103(a) can Neubarth form a basis for rejection of claim 20. Accordingly, the rejection of claim 20 should be withdrawn for at least this reason.

Conclusion

In view of the foregoing, the claims pending in the application comply with the requirements of 35 U.S.C. § 112 and patentably define over the applied art. A Notice of Allowance is, therefore, respectfully requested. If the Examiner has any questions or believes a telephone conference would expedite prosecution of this application, the Examiner is encouraged to call the undersigned at (206) 359-6351.

Applicant believes no fee is due with this response. However, if a fee is due, please charge our Deposit Account No. 50-0665, under Order No. 213828022US1 from which the undersigned is authorized to draw.

Dated: May 30, 2006

Respectfully submitted,

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